



MOUNTAINS RECREATION & CONSERVATION AUTHORITY
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Agenda Item III(a)
 COC CFD1
 9/16/21

MEMORANDUM

DATE: July 7, 2021

TO: MRCA Governing Board

FROM: Citizens Oversight Committee for Community Facilities District 1

Marian Dodge, Chair
Andrew Lasken, Co-Chair
Stacy Sillins

RE: COC District 1 Meeting – July 23, 2020
CFD 2012-1 and CFD 2016-1

The Citizens Oversight Committee for District 1 held a telephonic Special Meeting on July 23, 2020 that was duly noticed with all materials posted on the MRCA website. The Committee’s work is to ensure that the Special Tax proceeds are spent for their authorized purposes and to report to the Board and the public regarding the expenditure of such funds. This memo is the formulation of that report to the Board following a final review by the individual Committee members.

The meeting covered the Special Tax Reports prepared by SCI Consulting Group and Auditor’s Reports (Financial Statements) prepared by Moss, Levy, & Hartzheim LLP for Fiscal Years 2016-17 and 2017-18. The Committee and the public were also provided the attached single page Expenditure Breakdown tables and pie chart summary prepared by MRCA AFO Basem Mosaad. Staff posted maps showing all real property interests acquired by the MRCA in the District since the last Committee meeting held on 2018 to date. Staff explained that the MRCA had two existing acquisitions (Laurel Canyon and Mulholland & Bulwer Drive) that require one and two more annual payments, respectively

In summary, the Committee did not express any issues with how the funds were spent.

However, the Committee produced a set request to make the contents of the annual Special Tax Reports and the annual Auditor’s Reports more transparent for future meetings.

The Special Tax Reports and the Auditors Reports by nature use different accounting methods. One report merges accounting with the preceding year and the other does not. The Special Tax Reports represent a straightforward depiction how many parcels were taxed and how much revenue was raised and in what categories it was spent in for each CFD for a specific fiscal year. In contrast, the Auditor’s Reports represent fund balances which can include carry over from the preceding fiscal year.

Staff explained that because the authorized uses within CFD 2012-1 and CFD 2016-1 are identical, the MRCA often assigns a specific set or type of expenses to one of these two Districts and another set to the other District to best achieve results in field and its accounting efficiency.

To date the Special Tax Reports have broken down all expenses into just five categories that were selected by the MRCA's consultant. With the attached Expenditure Breakdown staff attempted to both merge and best represent the information in the two types of reports. The Expenditure Breakdown provided much greater clarity but did not alleviate enough confusion.

Staff will address the above issue and will also provide a further breakdown of expenses for all future meetings. To the extent possible, the presentation of expenses in the Special Tax Reports will be changed to better represent the breakdowns requested by the Committee. In staff's future presentations of the material, without question the expenditure categories in the Special Tax Reports will be further broken apart. Capital and staff expenses will be represented separately in every category.